

PART 829—TAXES

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Part 829 - Taxes

PART 829 - TAXES

829.000 Scope of part.

This part prescribes policies and procedures for exemptions from Federal excise taxes imposed on alcohol products purchased for use in the Department of Veterans Affairs medical care program and specified refund procedures for State and local taxes.

SUBPART 829.2 - FEDERAL EXCISE TAXES

829.202 General exemptions.

829.202-70 Tax exemptions for alcohol products.

(a) General.

(1) The procurement of spirits free of tax for nonbeverage purposes is permitted to Government agencies by regulations of the Bureau of Alcohol, Tobacco, and Firearms (ATF) (see 27 CFR 211.231-237, 213.141-146 and 240.720-722). The use of tax-free alcohol, whiskey, beer, wine and denatured spirits for nonbeverage purposes shall include but not be limited to medicinal and scientific purposes and in the treatment of patients.

(2) Authority is hereby delegated to the Director, Marketing Center, Hines, Illinois, and to the Chief, Acquisition and Materiel Management Service, Department of Veterans Affairs medical facilities, to sign application permits on Bureau of Alcohol, Tobacco, and Firearms (ATF) prescribed forms. This authority is not to be redelegated.

(b) Whiskey, alcohol, and denatured alcohol.

(1) Application forms for tax-free purchases are to be obtained from and submitted to the Director, Bureau of Alcohol, Tobacco, and Firearms, Washington, DC 20226.

(2) ATF Form 1486, Specially Denatured Spirits for Use of United States, is the application/permit required for denatured spirits, and ATF Form 1444, Tax-Free Spirits for Use of United States, is required

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for distilled spirits (whiskey and alcohol). These are continuing permits to procure items tax free. Copies must be made available to the supplier in support of each procurement.

(3) Purchases for excise tax-free whiskey and alcohol, not available through the depot can only be made from a distillery or a bonded premises. In accordance with 27 CFR 213.144, the vendor will also support each shipment with ATF 1473, Shipment and Receipt Specifically Denatured Tax-Free, or Recovered Spirits. The ATF 1743 will be completed by the accountable officer and the original copy will be forwarded to the Regional Regulatory Administrator whose address is shown in item 12 of the form. A copy of ATF 1473 will be retained in the purchase order file.

(c) *Wine*. No tax exemption form or ATF permit is required for the tax-free procurement of wine. An extra copy of a properly executed purchase order or requisition document may be furnished to the supplier (retailer, wholesaler or winery) to facilitate record keeping.

(d) *Beer*. Tax-free beer may be procured only from licensed breweries and only when such product is prescribed for therapeutic use of patients. The application for an ATF permit is to be submitted in letter form to the Director, Bureau of Alcohol, Tobacco, and Firearms, Washington, DC 20226. The following information is required:

- (1) Name and address of facility;
- (2) Specific purpose for which beer will be used;
- (3) Quantity proposed to buy each month, year, etc.;
- (4) Name and address of brewery; and
- (5) Copy of document authorizing contracting officer to sign request.

A new permit is needed only when beer is to be purchased from a different brewery than the one for which the original permit was requested.

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:::SUBPART 829.3 - STATE AND LOCAL TAXES:::

:::829.302 Application of State and local taxes to the Government.

(a) SF 1094, U.S. Tax Exemption Certificate, will be used as a basis for billing taxing authorities for a refund of taxes paid, if a vendor refuses to sell at a price exclusive of the State and local tax.

(b) SF 1094 will not be furnished to a vendor or used to claim reimbursement from the taxing authority, where the total amount of State and local tax on any one purchase is \$10 or less.:::

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